

TO THE  
**STOCKHOLDERS**  
OF  
**THE BANK OF THE UNITED STATES.**

*Office of Discount and Deposit, }  
Washington, Aug. 26, 1825. }*

AN address has recently been made to you by Mr. Roger C. Weightman, purporting to be a renewal of certain injurious charges, heretofore preferred against me before the Directors of the Parent Bank at Philadelphia.

Having in vain sought to convict me before that very respectable body, and been discomfited in his obvious schemes, by my unqualified acquittal; he has with befitting modesty and decorum, arrayed the perverted conclusions of his solitary mind, against the unbiassed decision of the tribunal of his selection, and appeals thence to the Stockholders at large.

In this reiterated attack, from a source so manifestly warped by prejudice, and emanating from feelings so flimsily disguised, I can have little to fear from a denunciation, in which the blind spleen of Mr. Weightman has associated me with so many distinguished gentlemen: and I feel well assured, that I might safely rest my justification on the internal evidence afforded in his address. As, however, it becomes a public servant ever to exhibit himself prompt in maintaining his character beyond the reach of suspicion, I have deemed it respectful and proper to address you such concise vindication, as may comport with the accusation and the continual perversions of Mr. Weightman.

Mr. Weightman defines at the threshold of his address, what he deems to be its proper limits; yet, with that happy forgetfulness, which, on many occasions, he exhibits throughout his attack, has wandered at once into a new field of vituperation, and in an excursion of a dozen pages, has embodied all that a mind, not habituated to discriminate between facts and the fictions of unbridled passion, can distort to my prejudice. Unsupported as are these introductory charges by any tender of evidence, their grave import nevertheless entitles them to a passing notice, and constrains me to transgress that brevity with which the proper charges had been met.

I am accused by Mr. W. with a violation of duty, in thwarting the views of the Parent Board of Directors, by twice arraying a

party against their nominations for the Presidency of the Office here. That the charge is wholly an unfounded fabrication of Mr. W. is fully shown by the papers in the appendix, Nos. 1, 2 & 3.\* It is moreover due to justice to state, and I here declare it as a positive fact, that none were more vehement and clamorous in opposing the first nomination, than the immediate friends of Mr. Weightman.

On this, as on all occasions, I suffered no feelings to intrude on me, incompatible with the instructions of the parent Board; but gave to these the promptest obedience. As Mr. W. well knows was my duty, I announced to the gentleman first nominated, the fact of his nomination; and gave him all the information within my reach, to enable him to designate such a direction as would ensure his election. (See my letter and the answer to it, in the appendix, Nos. 4 & 5.) When this gentleman declined, and Mr. W. was nominated in his stead, my course towards him was the same. (See my letter in the appendix, No. 6.) In designating a direction, Mr. W. expected the votes of the directors from Georgetown, one of whom was my brother, to be given in his favour, which would have secured his election. I distinctly informed him that I believed these gentlemen would incline to conform to the nomination of the parent Board; but that I had held no communication with them, and could consequently give no pledge. Notwithstanding my efforts in his behalf as to one of these, as shown in the papers above referred to, the votes of these directors decided the election against Mr. W., and hence he has marked me as a peculiar object for his resentment.

As to the charge connected herewith, of opposing the election of any one, whose proper vigilance would develop my irregularities, the above mentioned papers, and my previous correspondence and conversations with members of the parent Board on this subject, prove by what opposite considerations I was guided, and I can but express my contempt at the insinuation. The testimony adduced by Mr. W. at the late investigations of my conduct, made it manifest throughout, that I needed no such cloak. My official deportment was ever open and undisguised: and free access was ever given to the inspection of all, at which there has been a cavil. My accusers were constrained to admit, that on these occasions I acted openly, as a man free from guile, and therefore unsuspecting of injury from others. But, turning thence to the picture which they exhibit of themselves, Mr. W.'s self-encomiastick feelings will scarce trace there any lineament of like candour and frankness. Their course was as secret as mine was open; and whilst in daily intercourse, their conduct was such as to excite no distrust on my part, for six or eight months, they were industriously pursuing their furtive labours, so as to

\*These papers are from all the directors voting against the nomination of Mr. W., excepting Mr. Wirt and Com. Rodgers, who are absent from this City. No one can for a moment admit the idea that I could attempt to influence either of these latter gentlemen.



give to my character every distortion of which it was susceptible. By their own confessions on record, Mr. W. and his two abettors were, during this extended period, in full possession of the material features of their accusations before the parent Board; yet, did they calmly and in silence suffer the accumulation of abuses, fraught, as is pretended, with the most dangerous consequences to the Institution, till on the eve of the election for President and Directors for this Office. They well knew that the evidence of the leading charges rested on such perishable foundation, that only at the moment of occurrence could a certain explanation of them be given, and blanched at the preferring of charges, which had recoiled at once on themselves. It was only when, amid the multiplicity of such unregistered business, it might be expected that every frail memorial of particular transactions must have passed from my mind, and could only subsist in such statements as they chose to exhibit, that they could hope to effect my conviction. On this subject, the report of the Directors of this Office, No. 8.\* in the appendix, affords the fittest commentary, and I forbear farther remark.

Of the peculiar features with which Mr. W. presents himself in his last attack, I need only refer to the paper No. 7. in the appendix, showing the opinion of the Directors of this Office, on the first investigation of my conduct, embracing six of the seven reiterated charges; by which it appears that Mr. W. virtually abandoned five of them, and only inculcated me on the sixth, by a palpable perversion of the fundamental principles of justice, in relying solely on the evidence adduced by himself, and declining to read my defence, offered to the Board, and placed within his reach.†

Against the charge of partiality in conducting the first investigation here, the Directors of this Office know how to defend themselves; but I may be permitted to say that no one is more responsible for it than Mr. W. himself. He preferred the accusation, and the record will show how prominent and active he was in developing the evidence on every charge. It would have become his candour, too, to have admitted, that to his call for my personal examination, I readily assented, and promptly replied to his interrogatories, till my answers proving little satisfactory to his purpose, his sense of justice towards the accused, suddenly became offended, and he begged that all trace of his irregularity should be expunged from the record. At the second investiga-

\* This paper exhibits the "law opinion or argumentative statement" of Mr. Wirt, referred to by Mr. W., and which he has been so anxious to obtain. Having retained a copy of the document, I am happy in being able to gratify his wishes on the subject.

† Mr. W. has seen fit to deny that my defence was offered to the Board; on what grounds he must decide. The fact is, it was offered to all present, Mr. W. included; and was severally read by all excepting Mr. W. and Major Miller, to both of whom I subsequently tendered it.

Mr. W. has also chosen to omit any notice of the above mentioned paper, No. 7, for reasons best known to himself.

tion, embracing the seventh charge in Mr. W.'s address, he was absent at Philadelphia, where he had gone to enforce his own conclusions on the parent Board, and to prefer this charge. The investigation was in fact, kept open till after the latest period when his brother, the second teller, had said he would certainly return; but, on his continued absence, was then closed; and he ventures to pronounce my guilt on a cursory reading of the proceedings.

I come now to the seven enumerated charges, some of which it is proper to remark, having arisen incidentally, from evidence elicited in the investigation, and being additional to the points of investigation directed by the parent Board, I had not the least interval to collect exculpatory testimony. The first of these, is in the following words:

1. "Furnishing drafts, by the Cashier of this Office, to the Farmers and Mechanics' Bank of Georgetown, without premium, (of which bank his brother, Clem. Smith, Esq. is President.)"

That the actual result of the transactions on which this charge is founded, has been wholly favourable to this Office,—in as much as it received an excess of Northern drafts beyond what was afforded to that Bank without a premium, of more than \$116,000 in the transactions of fourteen months,—is clearly apparent, from the statement of Mr. W. and the evidence of the first book-keeper, to which he refers.\* That the transaction is equally unobjectionable on principle, I will render entirely apparent.

Referring to the examinations of the first book-keeper, and of the second teller, (the latter so active in the former accusations, and whom, by the way, Mr. W. sedulously avoids to mention as his brother,) as filed in the parent Bank; it will be seen that the general practice of this Office towards Banks and individuals, was to exchange Northern drafts for the like amount of the same funds received, and that alike whether demanded at the time of reception or subsequently; and the benefit of this transaction is apparent, in as much as it gave to this Office a present command of desirable funds, to be restored potentially at a subsequent period. Thus, a Bank having a Northern draft for \$30,000 and desiring to draw but for \$5,000, would receive for the draft, from this Office, a draft of the latter amount, and leave the balance on deposit or receive it in current notes, with the understanding that farther Northern drafts at par, to the amount of this balance, would be given when required. What can be more consonant than this, with justice and fairness of dealing? And that this was strictly the principle of these transactions, is shown by the paper No. 9. in the appendix. Yet, Mr. W., with a perversion of rea-

\* It may be remarked farther, as to the benefit of these transactions, that the drafts obtained by the Farmers and Mechanics' Bank of Georgetown, were generally on Baltimore; whilst those received from that Bank were almost invariably on New York. Thus, as the former were at but  $\frac{1}{2}$  per cent. and the latter at  $\frac{1}{2}$  per cent. advance, a farther profit accrued to this Office.



son, which the Stockholders will readily appreciate, pronounces the transaction a sale without premium. Desperate indeed must be the accuser that resorts to a charge of this character to establish criminality.

But as a part of this charge, I am accused of exchanging Northern funds of this Office, payable at sight, for others due at a distant day: and an instance is given in a note, of a discount made by me for the Farmers and Mechanics' Bank of Georgetown, from which the Bank received Northern funds. That discount was made with the consent of the exchange committee, excepting Mr. W., who was not within reach: and he was afterwards told, that if he disapproved of it, the money should be returned. But as Mr. W. now only questions the other features of the transaction, they claim my principal notice. The facts of the transaction are these: That Bank applied to the Treasury for a Northern draft of \$10,000, which was readily accorded. To provide funds in part pay for this draft, the above discount was obtained at this Office, and the proceeds were placed to the credit of the Treasurer. On this the Bank was to receive the draft; but as it was desirable that it should be divided into two equal parts, and the Treasurer was averse to such practice, the draft was, by agreement, drawn in my favour; and in exchange, I gave the two drafts stated by Mr. W. So far from my influence being necessary for this transaction with the Treasury, it is notorious that it is of common occurrence, both with Banks and individuals, to obtain such accommodations.

2. The second charge is in these words: "Loaning to the Farmers and Mechanics' Bank of Georgetown, the funds of this Office, without interest, and without the approbation or knowledge of this Office."

The record of proceedings, on file in the Bank of the United States, proves that the transactions alluded to, were within the exercise of a sound discretion.

As regards the check for 18,000 dollars, which the Farmers and Mechanics' Bank drew on this Office, the evidence of the Cashier of that Bank, of Col. Bomford and Major Wade, shows that the Bank had a claim on the Government, for 32,000 dollars, payable by a draft on New York, which was then due and expected to be realised immediately. Having occasion for a draft on New York for 18,000 dollars, the Cashier of that Bank negotiated with me for one, by assigning this claim on Government; and, as a further security to the Bank of the United States, he voluntarily placed in my hands, northern drafts to the amount of 20,000 dollars, and gave me a bona fide specie receipt for 18,000 dollars, to be used in the possible event of a failure to receive the funds from Government. In consequence of the absence, occasioned by sickness, of an United States officer, whose certificate was necessary to realize the claim on the Government, it was not paid so soon as expected; but the evidence of all parties agrees that payment was obtained in a short period, and the draft for

32,000 dollars, placed in my hands for the full discharge of all the claims which this Office had against the Bank. Viewing this claim on the Government as the only security, a transaction so familiar to all conversant with banking transactions, I might on this safely rest my defence with unbiassed men. But, Mr. W. admitted that this Office never refused to discount northern bills offered by that Bank; and I was authorised by the Farmers and Mechanics' Bank, to have those in my hands discounted, whenever I thought fit. I could moreover realise the specie receipt at any moment, and the specie was thus as available as that in the mint is to the parent Bank; for it is well known that the Banks here consider these obligations as of the most sacred character, and have never failed to redeem them on demand. Farther, not only as regards the Farmers and Mechanics' Bank, but other Banks here, they have been known to, and recognized by the direction of this Office as specie.\* Considering then, either of these latter securities as money, that Bank, on the principle explained in my answer to the first charge, was entitled to a Northern draft without premium, in part of the balance of that kind of funds due to it.

The other transaction proved, was briefly this: The Cashier of the Bank referred to, had given me a draft on Baltimore, to redeem balances of notes held by this Office;† and had I forwarded it, it had been promptly paid. The Cashier, however, gave me the option of receiving payment from the proceeds of the claim on Government before referred to, which being one-fourth per cent. more valuable than the draft on Baltimore, I consulted the interest of this Office by preferring them, and the amount was paid accordingly. So much for the charge of lending money without interest; as to which, Mr. W., with a happy forgetfulness of the evidence, has been pleased to style my defence an afterthought.

And however singular it may seem, in the chill current of Mr. W.'s feelings, to speak of an extension of courtesy towards sister institutions, the stockholders will readily appreciate the advantage of cultivating a friendliness of feeling, and the justice of reciprocating favours, though flowing from "a little bank in this District, with a capital of half a million."

Another insinuation intruding under this charge, claims a brief attention. Mr. W. chooses to infer, from the certificate of my stock having been for years deposited in this Office, to meet any potential defalcation, that these loans have prevailed during an extended period. The fact justifies no such inference, and none other than that such has been the rectitude of my intentions towards the Bank of the United States and my securities, that I

\* It may be proper to say, that the practice has prevailed with this Office, up to the present day, to issue such receipts.

† It may be proper to remark that this transaction explains one of those reductions stated by Mr. W. in his seventh charge, and which is there made the ground of crimination.



desired to pledge the means promptly to repair any loss occurring through me, though at the expense of my fortune. The third charge is in these words:—

3. "Returning in his official weekly statements to the Bank of the United States, the obligation of the Farmers and Mechanics' Bank of Georgetown, as notes of this Office."

Which is stated to have been fully proved by the first teller. This statement is wholly without foundation, and the nearest approach to it in the evidence of that officer, is his reply to the interrogatory of Mr. W., that *he* would have counted them as notes. The obligations in question were in the hands of the first teller, and any return of them to the parent Bank must have been founded on his report. As to the largest of them, had it been in my possession, it would most probably have been returned as specie, on the principle relative to specie receipts, heretofore adverted to, or as Northern funds; I having in my possession, the means to realize either. It would indeed transcend the power of any "ingenuity or legerdemain" of mine, to transform these obligations into notes of this Office: and the Stockholders will readily perceive that Mr. W. has assumed to himself a much easier undertaking, in preferring a charge, which admits of such immediate refutation, that all search for testimony, well known to be non-existent, is happily avoided. Were I disposed for recrimination, with as little labour as Mr. W. has incurred, though from the antithesis of cause; I might turn to the decalogue, and charge him with having herein borne false witness against his neighbour.

4. The fourth charge is in these words: "Retaining in this Office, a check of Messrs. Walter and Clem. Smith, (brothers of the Cashier) on the Farmers and Mechanics' Bank of Georgetown, as cash, and not sending it to that Bank for payment."

This, Mr. W. affects to consider principally important from the manner of explaining it, as contradicted by an affidavit of his brother, the second teller. What this affidavit may be, I know not; since it has never been exhibited here as the ground or evidence of any charge, so that it might be replied to, and I have no further evidence of its contents than the general assertion of Mr. W. The Stockholders will observe, however, that from these charges being preferred on the eve of an election of Directors for this Office, and from the influence that they were apparently designed to exercise in the formation of the new Board, it was deemed important, as well to myself as others, that no delay should intervene in submitting the result of the investigation to the parent Board; on which account, I readily waived all the benefit of delay, and where positive evidence was not at hand, relied on probable explanations. This was one of those cases; and my defence, which Mr. W. perverts with his usual ingenuousness, was in these words: "The check of W. and C. Smith, which the second teller states was withheld several days, came into the Office, *most probably*, after the weekly exchange had been made up." No averse testimony being offered, I could only speak

from my course of business. The statement now made by Mr. W. recalls to my memory, that at the time when I was about to send the check in for payment, my brothers placed in my hands some bills on Government, payable in Northern funds, with the privilege of paying the check from the proceeds. These being more valuable, I of course availed of the offer; and the bills being immediately paid, the check was retired in this manner. This fact is shown by the affidavit, No. 10. in the appendix.

Growing out of this transaction, is the charge of having violated the 15th rule of the parent Board, in permitting large discounts to be made in the sole names of W. and C. Smith, they being partners in trade. The nature of the connexion between these gentlemen was presumed to be as notorious to the members generally, of every Board of direction since the establishment of this Office, as it was to myself, and was not considered to come within the rule. Besides, that there was no attempt to conceal the fact, is evinced by this very check in their joint names, which has called forth such display of this gentleman's vigilance. This, however, was not a solitary check in that shape, but for years, had been preceded by others similarly drawn, which, unless they had gone their regular course, had not escaped that lynx-eyed scrutiny of which we are now apprised. The fact is, that in one branch of business, W. and C. Smith were associated; though it was conducted by the former exclusively. But had Mr. W., in the exercise of that zeal which shines forth so conspicuously on special occasions, been desirous of meriting the <sup>m</sup>need of charity that he assumes as his due, he had only to refer to the records of the county, to find property, in the separate name of either, more than would secure all the responsibilities of both. Besides, if, by 'large discounts,' he means the debts standing in their names, I can say that not one dollar was obtained for the use of either of them, nor did they owe one cent to this Office on their own account; these debts originating in loans to others, which circumstances have compelled them to assume. The liens for their security, as well as the nature of the debt, are known to such of the Directors as have thought the subject of sufficient interest for inquiry; and the liens for no small part of the debt, are held deposited in this Office.

5. The fifth charge is in these words: "Not sending to New-York for acceptance and payment, a draft of Mr. W. or Mr. C. Smith, (the one drawer and the other endorser,) which had been discounted by the exchange Board of this Office, for the use of the Farmers and Mechanics' Bank of Georgetown."

If Mr. W.'s course of conduct were guided by any settled principle, I might well express surprise at the reiteration of a charge so clearly defended, that the most desperate could find no room for a cavil. The draft in question, as shown by the evidence, was predicated on the supposed value of certain guilder bills drawn by Gen. W. Smith, and which were to be forwarded to his agent for sale, the drawee, simultaneously with the draft. It was



however, understood that the Government would likely purchase these bills, before the maturity of the draft, at the New-York value, and pay in a draft on that city; which being more desirable to Gen. Smith, it was agreed when the draft was discounted by the Farmers and Mechanics' Bank of Georgetown, that it should not be forwarded till the guilder bills, which were at the same time left with the Bank, had been offered to Government. When the draft was offered, by that Bank, for discount at this Office, the bills were also placed in my hands with a request, from all parties, to offer them to Government before forwarding the draft.

Accordingly, on my offer of the bills to the Government, they were purchased, and the proceeds applied by me, as shown by the record, to the payment of the draft, before it could have been realised by being forwarded to New-York.

This draft having been retained here, at the request of all parties, as shown by the evidence; Mr. W.'s statement of the law on this subject, is quite as unfortunate for him, as his statement of facts.

The sixth and seventh charges are in these words:

6. "Falsifying the official weekly returns of the state of this Office, to the Bank of the United States, so far as regards the true amount of the notes of the Farmers and Mechanics' Bank of Georgetown, on hand in possession of this Office."

7. "Falsifying the official weekly returns of the state of this Office, to the Bank of the United States, so far as regards the aggregate amount of the District Bank Notes on hand."

These charges Mr. W., for the Stockholders, pronounces to be the most important: and with these, would he especially fortify himself in the stand he has assumed. On these, he has adduced some show of evidence, of which I am now for the first time apprised, and refers to other documents, filed by him at the Parent Bank, the particulars of which he has not vouchsafed to afford to me. The former, coming in tangible shape, I promptly meet it; from the latter I will not shrink, when arrayed against me.

The manner in which these charges are urged, may be deemed to require a more deliberate analysis; and the extent of their details will justify me with the Stockholders for some prolixity.

It was believed on the first investigation into my conduct, that no discrepancy existed in the aggregate amount, as stated in the seventh charge, no record being kept in this Office of their returns; and my defence was made accordingly. The persevering efforts of Mr. W., whilst at Philadelphia, did, however, discover some variances; and the instances of my friend, the Alexandria Director alluded to by Mr. W., and perhaps, as he suggests, his letter effected the second investigation. The result however, as exhibited by the record, was so satisfactory to myself, and afforded so little cause of gratulation to my enemies, that I had imagined they would scarcely be desirous of renewing the charge.

As to the proof of these charges, it is seen by the record, that so far from the accumulation of three witnesses to the facts, the first book-keeper knew nothing but what the second teller had told him: the evidence of the first teller was equally imperfect; and the second teller only knew that the amount of notes reported by the first teller, and uncounted by him, in six or eight cases during as many months, differed in the aggregate with the small sum in his hands, from what was reported by the Cashier. Thus, the Stockholders will readily perceive, that however open the second teller may be to such charge, my justification by no means necessarily impugns the accuracy of this Officer. It is sufficient that error existed with the first teller, and that his accuracy is not above question, I need but refer to the report of a committee of the parent Board, for considering the deficiency in his cash, made February, 1823. But Mr. W. has assumed to discredit my defence by the positive testimony of the first teller; as to which I have to say, that it appears to cost Mr. W. little 'scruple to ascribe to me statements that I never made, and the first teller feels his security in denying them on oath. I never did state that 'I frequently found the first teller in error, and requested him to recount his packages:'—My words are precisely these: 'I have on several occasions, required of the first teller, upon observing the amount of notes stated in the weekly return, as on hand, of various Banks; that they should be *separately* made up for exchange or payment, and when this was done, they were found to be widely different from the sums stated.'

The evidence by which these grave charges admit of refutation, is twofold: a direct and positive testimony, demonstrating my innocence by facts, and an indirect and circumstantial evidence, appealing with equal strength to the moral sense.

Of the latter kind, Mr. W. himself suggests the argument, that no man, not utterly prostrate in character, ever jeopardises his reputation gratuitously; and on this, for a time, will I maintain myself. The record shows abundantly that I could have no possible object in betraying my trust, and none will believe that I would recklessly rush on destruction. I had no interest in the Farmers and Mechanics' Bank, and would derive no emolument from any dereliction of duty: the President was my brother, and, independently of his wide extended and unsullied reputation, could have no wish, whilst the prosperity of the Bank, exhibited in the evidence, left him no motive for involving me in any covert conduct. But the course of guilt is ever secret and suspicious; whilst the testimony of all (well known to Mr. W., but in his address very candidly suppressed) shows that my deportment was always open and confiding. Unlike the furtive records of my adversaries, these returns now caviled at, were spread openly before the officers, and an investigation courted; whereas, I had but myself to forward the documents, and thus easily put a seal on all inquiry. Or I had but to report only the aggregate of notes, and there was left nothing on which inquiry could rest. I stated in



my defence to the parent Board, that the *aggregate* alone was called for by their regulations, and Mr. W. has vouchsafed to meet the assertion by an awkward exhibition of his humour. At the hazard of again eliciting his Attick pungency, I repeat my assertion, and here affirm, that as only such notes were currently received as were deemed good, and their aggregate amount was inconsiderable, it had mattered not, though all the notes on hand had been of a single Bank. But happily my character has no occasion to rest on this foundation: and I will presently exhibit such full and direct evidence as an unregistered and common transaction can possibly admit of, after being suffered to slumber for months.

It was fully shown by the tellers, in their examinations, that their reports were founded on the state of their accounts on Saturday, from 2 to half past 2 o'clock, whilst my report was made up late on the next business day: during which interval, the state of these funds might, and frequently did, materially change its aspect. The first of these officers admits, that on occasions the whole notes of a Bank have been paid away during this interval. The Cashier of the Farmers & Mechanics' Bank, in his testimony on record, and paper No. 9. in the appendix, corroborates the fact: and farther shows, that on my peremptory demand to reduce his notes, he promptly met them before my return was made out, by actual payment or redemption with other funds. So far as these transactions were actual payments, the books of his Bank afford a registry of them, and he accordingly exhibits therefrom certain evidence as to two of the most important differences.—For the rest, he gives all the evidence that can possibly be adduced, and all that, with impartial men, is requisite to repel a charge treasured up in silence so long as a certain explanation could be given, and only developed when all personal remembrance of it must necessarily be obliterated. He tells you, in language more comprehensive than the *memoranda* of my accusers, that he has on many occasions redeemed his notes in the interval between the reports of the tellers and my returns, in current funds, and *that* in direct remittances to myself, of which the tellers could have no account. To place this evidence beyond dispute, the books of the first teller here exhibit corresponding reductions in District notes, on all those days when there is a discrepancy in the aggregate of my report.

But Mr. W. has chosen to say, that “whilst the notes of the Farmers & Mechanics' Bank were invariably *reduced*, those of other local Banks were as constantly *increased*.” The latter part of this statement is wholly untrue: and the Stockholders have only to refer to the instances of discrepancy stated by the tellers, on record, to satisfy themselves how little faith is to be given to any representations of Mr. W. In the single instance that he exhibits in his pamphlet, he has been adroit enough to select such a return as may comport with his assertion: but the record will show that the amount of notes of other Banks was frequently reduced. It is true that as to the former Bank, the amount was never increased;

but paper No. 9. and the testimony of the Cashier of that Bank, on record, prove that when the amount was swollen to such size as to attract the notice of the tellers, it was reduced by the Cashier, on my peremptory order: and it is a farther fact, on which the attack of my enemies may perhaps throw some light, that frequently these notes were reported to me at a larger sum than could be produced, and utterly disproportioned to their circulation. (See as to this point, the affidavit of the Cashier, filed in the record of the first investigation.)\* It is worthy of notice too, that at the moment of suspension, when the funds were transferred to the first teller, he states that the notes of the Farmers and Mechanics' Bank constituted but a moderate portion of the District notes on hand. And it is a further fact, that since the investigation, I have required accurate reports from the tellers, of the separate notes of each District Bank: and though the circulation of the Farmers & Mechanics' Bank has not during this period decreased, the proportion of its notes on hand is generally smaller than those of the other Banks. But the disingenuousness of Mr. W. has chosen carefully to conceal the fact, that on half the cases of aggregate discrepancy, the amount returned by me, has *exceeded* the reports of the tellers. In only three cases, is the amount of difference so considerable as to sustain any imputation of sinister motives; and the rest will readily be referred to the explanations heretofore given. On these occasions, peculiar circumstances have enabled me to give, as I trust, a satisfactory explanation.

But Mr. W. has charged me with "*mystifying*" this business in my defence, by confounding the daily and weekly transactions of the tellers with me, and thus inferring that they estimated (not counted) the respective amounts of District notes on hand. I can only say, that I know of no such distinction as Mr. W. attempts to establish, either in actual practice or as shown by the evidence. The same cash, which, during five days, was indiscriminately mixed by both tellers, formed the basis of the first teller's report: and when, in subsequent transactions, the whole amount of notes with both tellers invariably exhibited the same promiscuous mixture,† in which state, a present Director of this Office, and a very extensive Broker, declares his belief, that the separate amount of notes of each Bank could not be accurately ascertained; I felt justified in inferring that the proportion was estimated. It is obvious too, that on counting the separate notes of each Bank in a promiscuous bundle, and returning them again to the same, those of the different Banks would naturally, and without elaboration, be distinct; and bootless as would be the office of laboriously commingling

\* This affidavit shows particularly, that on two occasions, when, on my peremptory call, the Cashier came out promptly to redeem large amounts of notes reported by the first teller: he found on one occasion, none; and on another, so small a sum, that the teller declined to assort them.

† See on this subject, the testimony of Mr. Seaton of the old Board, and of Messrs. Miller and Nicholls of the present Board of Directors.



them again, the Stockholders will judge how likely I could attribute such extraordinary trouble to the first teller, in opposition to the testimony of both book-keepers, that he could not accomplish the ordinary routine of his duties, without their daily assistance.

In more specific illustration of this subject, I will now proceed to exhibit a condensed abstract of eight of the weekly statements, of which the Bank of the United States sent on a list for examination, at the second inquiry made here. These show the discrepancies between the tellers' returns and the Cashier's weekly statements, on dates from 19th June to 20th Nov. inclusive.

The aggregates of District funds on hand, at all those periods, as reported by the tellers, are as follows :

Of Farmers and Mechanics' Bank of Georgetown, being an average of about \$5,300 on each return,	- -	\$50,248 15
And of all the other Banks, (9 in number,) being		
an average of \$11,300 per week,	- . - -	91,048 05

Total,	<u>\$141,296 20</u>
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Thus making, of Farmers & Mechanics' Bank notes on hand, at those periods, about 36 per cent.; and of all the other Banks collectively, about 64 per cent.

The aggregate returns of District funds on the same date, made by the Cashier, exhibit of the Farmers & Mechanics' Bank, being an average of about \$2,700 on each

return,	- - - - -	\$21,018 76
And of all other Banks,	- - - - -	99,618 76

Total,	<u>\$120,637 52</u>
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Thus making Farmers & Mechanics' Bank notes on hand, at those periods, about 18 per cent. and of all the other Banks, collectively, about 82 per cent.

The circulation of the Farmers & Mechanics' Bank is stated by a Treasury report in Jan. last, at \$140,000, and relatively with that of all the other Banks, it is, as that sum is to about \$700,000, the circulation of the whole of them, or 20 per cent.

The statements of the Cashier, therefore, if the relative circulation of the Banks be any criterion by which to form a correct estimate on this subject, are nearly in conformity thereto—whilst the tellers' returns exhibit the funds of the Farmers & Mechanics' Bank, as nearly double its proportion.

Turning to those reports separately, it appears that the tellers make an excess of District funds, beyond the return of the Cashier, on three different days, amounting in the aggregate to \$24,045 :—And that on three other days, the aggregate returns of the Cashier exceeded those reports of the tellers, about \$2,400. The books of the Bank, kept by the first teller, conclusively show a reduction of the District notes, on the days on which the statements were made out, equivalent to the former differences; and

These reductions, as the statements themselves prove, were made, not from the Farmers and Mechanics' only, but from most of the other Banks, in considerable amounts, the declaration of Mr. W. to the contrary, notwithstanding, that "the amount of the notes of the Farmers & Mechanics' Bank was invariably reduced, and the amounts of the notes of other local Banks as constantly increased."

I will now contrast those returns of the tellers with a view of the transactions with those same Banks, *subsequent* to the inquiry, (during which time the circulation of the Farmers and Mechanics' Bank has not decreased) and predicated upon a course then adopted, which renders unnecessary any resort to estimates, or conjectural calculations upon this subject. This course is, to receive those funds as usual; but no longer, as had been the practice, to pay them away at the counter. Instead of this, the notes of *each* Bank are kept *separate* and *distinct*, (not mixed as heretofore) so that the actual amount of each can always be readily seen; the amount being endorsed on each bundle—and Banks are required to take them up weekly. The tellers furnish to the book-keepers for the weekly returns, (made up without any agency of mine in these particulars,) the amount of notes of each Bank, severally: and the following is a condensed view of the aggregates of District notes in all the weekly statements, (twenty-five in number,) commencing February 25th, and ending August 15th, 1825, inclusive, viz:

Of the Farmers & Mechanics' Bank, being an average of less than \$1,000 on each return,	-	\$ 24,585 32
And of all the other Banks, (9 in number,)		228,654 01

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\$ 253,239 33

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Thus making of Farmers & Mechanics' Bank notes, an average of less than 10 per cent.—a poor figure, compared with its former exhibit in the returns which have produced this charge:—and of nine other Banks, upwards of 90 per cent.

These weekly statements exhibit the aggregates, during the same period, of funds of the

Bank of Washington,	\$ 25,259 07, or about 10 per cent.
Patriotic Bank,	31,047 12, or " 13 "
Potomac Bank,	20,800 43, or " 8 "
Metropolis Bank,	11,190 79, or " 4½ "

These Banks are referred to, because Mr. W. charges me with subducting from the Farmers & Mechanics' Bank, and adding to their respective amounts.

It will be seen above, that the average amount of funds of two of the above mentioned Banks, exceed that of the Farmers & Mechanics' Bank (one of them, considerably), and of the others, one is nearly equal.

Let us see how those several Banks are represented to have been reported by those same tellers, on the eight first mentioned statements, out of which has grown this charge.



The aggregate of notes, as by them reported, are, of the  
Farmers & Mechanics' Bank, \$59,213 15, or about 36 per cent.

Bank of Washington,	-	5,959 93,	or	„	4	„
Patriotic Bank,	- - -	7,906 91,	or	„	5½	„
Potomac Bank,	- - -	7,385 00,	or	„	5½	„
Metropolis Bank,	- - -	1,744 60,	or	„	1¼	„

Comment on this striking contrast would seem unnecessary.

Considering, then, the excessive disproportion contained in the tellers' reports of Farmers & Mechanics' Bank notes, compared with the circulation, as has been shown; considering the manner in which the notes of the District Banks were heretofore kept, (commingled together) and paid away at the counter as wanted, when it was apparently next to impossible that the exact amount of each Bank could be precisely ascertained; considering, too, the the established inaccuracy of the first teller; does there not then appear sufficient grounds for doubts as to the accuracy of the discriminations of the notes of the different Banks, as made by the tellers; and therefore, why I should have endeavoured to appportion (Mr. W. says *equalize*) them, more in conformity to what I supposed to be the fact, and to the known circulation? But I am not under the necessity of relying upon this view of the case.

There fortunately yet remains to be enforced, a fact calculated to reconcile in some measure, and that no inconsiderable one, the differences between the tellers' returns and my weekly statements; and this I now reiterate, though at the hazard of its being denounced by Mr. W. as an *after-thought*. In truth, it is such,—it not having occurred to me in the brief time required on my part, pending the two investigations;—but it is not the less true on that account, and is susceptible of proof. It is simply this:—It not unfrequently occurred, as I have above, in part, adverted to, that between the period (Saturday) on which the tellers made up their reports, and the next business day (Monday), on which the weekly returns were made up, funds were forwarded to me, or placed in my hands by different Banks, to redeem their notes. In such case, the amount so received would doubtless be deducted by me from the amounts reported by the tellers, and, if paid in notes of other District Banks, added to the sums reported by the tellers against such Bank or Banks: or, if in other funds, the report would be modified according to their character. Thus, on all the days when there appears a difference between the aggregate, as reported by the tellers, and the weekly returns, there were in the intervals between making up the reports of the tellers and the returns on the next business days, actual reductions of District funds, as appears by the first teller's books, to the amount of such differences. As is before stated, these reductions were made occasionally in favour of most of the Banks; whilst at other times, the amounts of their notes were increased—and doubtless for the same reasons suggested above.

I deem it an act of justice to myself here to state the result of the several investigations on the charges now reiterated by Mr

W. To the first six charges, the opinions of all the Directors of this Office present, (and of J. Taylor, Esq. who, though detained from the Board by sickness, read all the evidence,) is exhibited in paper No. 7 in the appendix. The paper No. 11. gives the sentiments of another member; and it may be added, that the Attorney General, Mr. Wirt, being then necessarily absent in Baltimore, read the record, and, in a letter to the parent Bank, concurred in the resolutions contained in No. 7. Several of those resolutions are given, independently of Mr. W., were supposed to have entered on the investigation with prejudices of my culpability; yet, when the testimony was closed, he alone held me guilty of a single charge, and with what sense of justice, the paper No. 7. shows. On the second investigation, the sentiments of the Board here, were unanimous in my favour, as shown by No. 8. in the appendix. The papers No. 12. in the appendix, show how cordially the same view was adopted by the Parent Board, and how fully I was restored to the confidence of that respectable body.

Having now accomplished my reply to these charges, in such hasty manner as a brief interval and my official engagements have allowed, I may be permitted a brief comment on the spirit of this *hasty attack*.\* Where argument has been wanting, I have been assailed with bitter invective; and for the confidence that has been reposed in me by all with whom I have been associated in business, I have been denounced as an "artful Cashier," acting by "intrigues and covert insinuations." Argument should properly be met by argument; and had Mr. W. thought fit to fortify himself in this way, I would scorn to travel from his track. But, conscious want of all legitimate foundation for his attack, he has rested his case in a degree on strength of character, and would bear me down by this sovereignty of *his* word, who, barring any degeneracy and immorality" on this occasion, "can say, and challenge the world for a contradiction, that he has in every other transaction of his life, evinced the strictest regard to truth, justice and humanity." It has been my happiness, in a long course of public service, to have invariably conciliated the confidence and consideration of my employers; and till the present occasion, I was unconscious of creating a single enemy. So that my character is in no degree inferior to Mr. W.'s estimate of his own. But, though properly my justification should have no connexion with the character of Mr. W., and I do not seek to defend myself by assailing my accuser, yet, the course which he has assumed, renders it not impertinent that I should, in this case, question the weight of character which he adduces to support his charge, and insinuate a doubt whether there do not exist many men who know

\* The operative motives I leave it to the Stockholders to analyze: but I may be permitted to say, when Mr. W. pronounces that "the action determines the motive," that, on the same principle, the preferring of charges disproved to the entire satisfaction of two unbiassed boards of directors, determines the motive of my accuser.



him, who would doubt, that, if upon the investigation, it had turned out that he had been misled by "fallacious appearances," he would have yielded with "alacrity and *pleasure* to the convictions resulting from the evidence" in my favour. The best evidence of his feelings in this respect, is his own work—the *book that he has written*. And the response of those who best know him and his feelings, will more probably be, that, as to my acquittal, no circumstance did give, or could have given, him *less pleasure*. If, in this depreciated estimate of Mr. W.'s character, I be wrong, I am at least not singular in my views; and, if I mistake not, the records of our Circuit Court may exhibit some evidence of a former question of Mr. W.'s "truth, justice, and humanity." But, with not a tythe of the measure that has been meted to me, I forbear on this ungrateful theme: and with a few parting words, will bring to a close this extended vindication, into which I have been reluctantly led.

In the responsible station that has been confided to me, I am fully aware how important it is to maintain a character beyond the reach of suspicion; and next to the consciousness of integrity, I esteem the confidence of my employers above all other considerations. On the present occasion, I feel happy in the security that public sentiment is so justly ordered, that one's reputation, hardly earned by the devotion of a life to business, is not to be sported with and dissipated by every idle breath of calumny. The toil of one's life were indeed worse than in vain, if any consequent estimation in the community, served but to render him more pervious to the attacks of those to whose hopes he may be an obstacle; and more enviable far would be a career of obscurity and unprofitableness. But society properly regards the tried fidelity of any of its members, as its own property: defends it from the rude assaults of the designing, to which it becomes more obvious; and withdraws its countenance only where it is proved to have forfeited protection. If, then, the ample testimonials of the fidelity and zeal with which I have heretofore pursued your interests, would give me any merit in your estimation, I may still claim the solace of your unwavering confidence under every attack, till my accusers can satisfy your judgments of my unfaithfulness; and beyond this I would ask nothing at your hands.

RICHARD SMITH

P. S. In the hurry of preparing for the press the preceding sheets, I omitted to name the highly respectable and honourable gentlemen who composed the Committee of Inquiry of the parent Board, and this was entirely overlooked in the first impression. They were, General CADWALLADER, Chairman, JOHN SERGEANT, MANUEL EYRE, CADWALLADER EVANS, SAMUEL WETHERILL, E. J. DUPONT, and the President of the Bank, N. BIDDLE, Esq. ex-officio, a member.

R. S.





## APPENDIX.

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### (No. 1.)

THE charges exhibited by Roger C. Weightman in his pamphlet against the Cashier of the Office at Washington, of acting with duplicity towards him in regard to the election of President of that Office, and combining with a party to defeat the wishes of the parent Board at Philadelphia, as indicated in the list of Directors sent on to the Cashier in Jan. 1824, I consider as made without the least foundation in truth; he having as I verily believe, taken no part in said election—nor did I ever hear of any combination among the Directors, to defeat the election of said Weightman.

On the evening preceding the election, Thos. Swann handed me in Alexandria, a written notice from the Cashier, to meet at the Bank on the following morning, for the purpose of organizing a Board. When I got to the Bank, I found several of the members there; but do not recollect having any conversation on the subject of the election of President, until we had assembled up stairs at the Board, where one of R. C. Weightman's friends stated to me, that he, (Weightman) had been placed at the head of the list by the parent Board, with a view that he might be elected President; and he hoped that the Board would conform to their wishes. I told him I should vote for my neighbour Swann; that I considered the right of appointing a President of the Office, as belonging to the Board of the Office, and that I felt it my duty to exercise my own judgment. And I do most solemnly declare, that I never heard of, or entered into any combination whatever, to defeat the election of Roger C. Weightman. The result of the balloting showed that a majority thought Thomas Swann the most suitable man for President; and I farther declare that from a diligent attendance at the Office, and a minute attention to the course of the business, I am abundantly convinced that the selection which we made, was the best one for the interest of the Stockholders.

MORDECAI MILLER.

*Alexandria, 22d August, 1825.*

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### (No. 2.)

Being requested to state whether the Cashier of the Office of Discount and Deposit, Washington, made any application to me

for my vote as a Director of that Office, at the election of President, in Jan. 1824; I have no hesitation in saying that he never did, directly or indirectly, at any time, make any application to me on the subject,—nor did there exist, to my knowledge, any kind of understanding or combination among the Directors with regard to any individual as President.

WILLIAM LAIRD

Georgetown, 23d August, 1825.

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(No. 3.)

In a pamphlet recently published by R. C. Weightman, respecting the official conduct of Richard Smith, Cashier of the U. S. Branch Bank, Washington, an attempt is made to implicate me, (being one of those who did not vote for Mr. Weightman) as *combined* with the Cashier and a party, to defeat the wishes of the parent Board, in the selection of a President for that Office.

The charge, as I understand it, embraces both nominations, as made by the Board. It is true as to neither; as will be seen by the following statement of facts, unless, indeed, it can be shown that the exercise of an undoubted right to vote in such case, according to the best dictates of the judgment, is a *combination*.

In December, 1823, Mr. Graham resigned the Presidency of that Office, and Mr. Swann was elected by the Board here, to fill the vacancy. I was then absent in New York. Returning homeward early in January, I spent a day in Philadelphia, and at the same lodgings met with a gentleman from Baltimore, then a Director of the parent Board. From him I first understood the resignation and election above mentioned. He observed that the election of Mr. Swann was, of course, only for the remainder of his predecessor's term, and was not to be understood as limiting the parent Board in the exercise of their accustomed right of designating its preference. That they highly esteemed and respected Mr. Swann: but that his professional pursuits interfered with a due attention to the duties of the Office.—That it was important to have in it a President, who, besides other requisite qualifications, could and would devote much of his time to its duties. He took occasion to speak in high terms of approbation of the Cashier, whose sentiments, he remarked, on the importance of having an efficient officer in that station, were well known, and coincided fully with those he expressed. He finally stated that the subject was then under consideration; that a gentleman, (naming him) the one referred to by Mr. Weightman, had been recommended; that it was desirable to have as much light as possible on the subject, and that any information which I might be enabled to give concerning this gentleman, would be acceptable.—This was unhesitatingly given, and in terms decidedly favourable. He was, in a few days after, nominated. Of this, I was informed



soon after my return, by the Cashier. He mentioned that he had already had some communication with this gentleman on the subject; that he did not appear to manifest much solicitude concerning it, and had not yet decided to accept: that it appeared to be unfavourably received in Washington. He expressed no wish whatever, as to the vote which I might give on the election; nor took any part whatever, so far as ever came to my knowledge, in opposition.

This gentleman finally declined to accept, and Mr. Weightman was designated in his place. Of this, I was informed by the Cashier, and of Mr. Weightman's hope that I would vote for him. He expressed his own wish that I would do so; it being in conformity with the designation of the parent Board. He expressed his high regard for Mr. Swann: but that from their relative situations and pursuits, he considered that Mr. W. would be enabled to devote more of his time to the duties of the office, and thus render more efficient services.

I replied that I had recently understood Mr. Swann intended to remove to Washington, and to decline his Virginia practice; and that if he did so, the only objection to him, and prominent claim to preference on the part of Mr. W. would be removed. That without reference to their respective pretensions otherwise, which were, according to my mind, decidedly in favour of Mr. Swann,—he was besides, the present incumbent; and that (unless evidently to the interest of the Bank, which I did not conceive it to be in this case) I could not consent to vote him out, to make room for his opponent. That to Mr. Weightman personally, I had no objection. We had always been on good terms; and that were the cases of the two gentlemen reversed, I might probably vote for Mr. Weightman.

I expressed my regret that I should in this case dissent from the views of the parent Board; but, that the right being given by the charter, I must now exercise it according to my best judgment, and the circumstances before us. He continued to press the subject, but I did not yield—and he parted from me dissatisfied. His influence therefore, so far as attempted with me, was in favour of Mr. W. and the nomination, and not against it. I did not see him again until the day of election, and then had no conversation with him on the subject. Neither had I communication, directly or indirectly, with any member of the Board whatever—except at the instant of going into the Directors' room, just preceding the election. I then asked Mr. Wirt, if he knew whether Mr. Swann had decided on removing to Washington. He said that he would put the question to him, openly before the Board. He did so: the answer of Mr. Swann was affirmatively; but that some little time must necessarily elapse, before he could satisfactorily complete his arrangements to do so.

The election, as is known, resulted in favour of Mr. Swann. The division of the Board was so, that had my vote, or that of either of the other Directors who voted for Mr. Swann, been given

to Mr. Weightman, he would have had the same opportunity of closing the election in his own favour, as Mr. Swann finally did—but not until, after numerous ballotings, there seemed to remain no alternative. I have had no reason since to doubt that this result was entirely consonant with the true interests of the Bank.

W. SMITH.

*Georgetown, August 25th, 1825.*

This day, appeared before me, (a Magistrate for the County of Washington) Walter Smith, and made oath on the Holy Evangelists of Almighty God, that the facts above stated by him, are true.

THOS. CORCORAN.

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(No. 4.)

*Office of Bank U. States, }  
Washington, Jan. 20, 1824. }*

DEAR SIR: In Mr. Biddle's letter to me, (which I showed you on Saturday last,) I am directed "to ascertain whether your election would take place under the proposed arrangement; and if any difficulty exist, to report the nature of it, and the means of removing it." From the disposition manifested by those of our Directors, who are eligible; I believe that this difficulty does exist, and that the only remedy will be a total change of the Board, or a change so far as will ensure a majority in your favour. With this view, I have to request your assistance in preparing a list to be submitted to the President and Directors of the Bank of the U. States; and as the election must be made on the 27th inst., as little delay should take place as possible.

I am, Sir, very respectfully,  
Your obedient servant,  
R. SMITH, Cashier.

SAM. H. SMITH, Esq.

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(No. 5.)

*Sidney, Jan. 20, 1824.*

DEAR SIR: Having previously to the receipt of your letter of this day, addressed a letter to the President of the Bank of the U. S., tendering my declension of the Presidency of their Office at this place, for reasons which I have assigned to him; it is unnecessary for me to see you further on the occasion. Had I adopted a contrary determination, I could not, on grounds which



might, perhaps, have been imputed as personal, have taken the step you invite in behalf of the Bank of the U. S.

I am, respectfully,  
(Signed) S. H. SMITH.

R. SMITH, Esq.

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(No. 6.—*Extract.*)

*Office of Bank U. States, }  
Washington, Jan. 25, 1824. }*

SIR: Your letter of 23d inst. is received; and, as directed, Mr. Weightman has been apprised of the determination of the committee on the Officers.—He is under the impression that Mr. Swann will still be brought forward as a candidate for the Presidency; and that in order to secure the election to himself, it will be necessary to introduce two new members. With this view *he* names Elias B. Caldwell and Edward DeKraft, Stockholders, and Major Samuel Miller of the Marine Corps, and Gen. Philip Stewart, formerly a Director. Mr. Weightman is particularly desirous of having Mr. DeKraft appointed—and will be satisfied if Mr. DeKraft and any one of the other gentlemen be elected; and my own impression is, that with this accession of force, he will command a majority of the votes; but the inclemency of the weather prevents my ascertaining with precision, by a personal interview with some of the members. Thus constituted, the Board will consist of 11 members; but next year it may be reduced to 9, or even 7, and still retain all its efficiency.

I am, Sir, very respectfully,  
Your obedient servant,  
R. SMITH, Cashier.

NICHOLAS BIDDLE, Esq. Pres. Bank U. S.

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(No. 7.)

*Extract from the Record of the first Investigation.*

The Board having now completed their investigation into the conduct of Richard Smith, Cashier of this Office, it is moved by Com. Rodgers, that the Board do adopt the following resolutions:

*Resolved*, as the opinion of this Board, that the investigation made into the conduct of their Cashier, Richard Smith, has not impaired the confidence which this Board has always felt in him; but has tended to confirm the opinion which they have always entertained of him, that he was a faithful, attentive, and most valuable Officer.

*Resolved*, therefore, that it be most earnestly recommended to the parent Board, that the said Richard Smith be forthwith rein-

stated in the duties of his Office, and that the reinstatement be so made as to inspire a belief on his part, that he is fully and entirely restored to the confidence of the said parent Board.

Upon these resolutions the votes were—

*Ayes.*

*Nay.*

JNO. RODGERS,  
M. MILLER,  
P. STEWART,  
T. SWANN,  
JNO. TAYLOE.

R. C. WEIGHTMAN.

Major S. Miller (with the permission of the Board) declines giving a vote on Com. Rodgers' resolution, in consequence of not having seen the statement or explanation of the Cashier, in relation to the weekly returns to the parent Board.

*R. C. Weightman states, that not having seen or read the explanation of the Cashier, he is therefore compelled to state as his impression, from the facts before him, that it has been proved that the Cashier has altered the statements of the notes of the Farmers and Mechanics' Bank, as reported by the tellers to him; and that therefore, it appears to him, that these statements were purposely so altered, &c. &c. He therefore votes in the negative, to all the resolutions of Com. Rodgers.*

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(No. 8.)

The Board of Directors of the Office of Discount and Deposit, of the Bank of the United States at Washington, having complied with the request of the parent Bank, in examining the testimony in relation to the discrepancies between the reports of the Cashier, and of the first and second tellers, as to the District notes, which, from time to time, have passed through this Office, and having now reported this evidence, presume that it is within the scope of the duties expected from them, to express their opinion on the subject. Under this impression, they beg leave to observe that the charges against the Cashier, rest chiefly if not solely on the evidence of the first and second tellers of this Office; and in relation to them, as well as to all other witnesses, the first inquiry is, whether their conduct has been such as to command the confidence of the tribunal which is to decide upon the case.—According to their own statement, they saw the Cashier for six months together, continually imposing upon the parent Bank, false returns upon the subject of the notes of the District Banks; yet they said not one word upon the subject, either to the President and Directors of this Board, or to the President and Directors of the parent Bank. According to their own showing, therefore, they are guilty of the concealment of this alleged crime, and are, upon their own confessions, unfaithful Officers—

false to that honour and fidelity, which, as Officers, they had pledged to this Board. If this concealment had been through tenderness to the Cashier, this breach of official duty might have found some apology in the humanity of the motive. But if this had been the motive, their first act would have been to have advised the Cashier of his danger, and to have put him on his guard. Indeed, if their conduct had been directed by the ordinary candour which prevails among honest men, it seems to this Board, that the only course which would naturally have presented itself to them, would have been, to have gone to the Cashier, on the discovery of the first difference in their statements on this subject, to have suggested the fact to him, and to have asked for his explanations. If on such a suggestion, he should give such explanations as were not satisfactory to them, it would then have become their duty to have brought the subject to the notice of the President and Directors of this Board:—And if still dissatisfied with the decision, to have carried the information openly to the parent Board. Instead, however, of pursuing this candid and open course, it appears that the first teller in the month of May, 1824, began to keep a secret account of the transactions in question, and the structure of the book exhibited by him on the occasion, is worthy of notice. The first item on every page is, “the Farmers and Mechanics’ Bank of Georgetown,”—under which, on every page, is a line left blank to receive the balance to be communicated to him by the second teller. Thus, upon their own confession, we have a confederacy established between the first and second tellers to keep this secret account, and it was thus secretly kept, as far as this Board or the parent Board are concerned. The Cashier, on the contrary, perfectly unaware and unsuspecting of any such movement, continually made his statements openly and publicly: they were seen by all the officers of the Bank who chose to see them, and by these tellers, among others, as they admit. The course of the Cashier was that of conscious innocence, and is utterly irreconcilable with that of conscious guilt. No man conscious of guilt, possessing a particle of common sense, ever opened himself to immediate and inevitable detection, by a manner so perfectly frank and unguarded. So that on the one hand, we have the Cashier pursuing this open and honourable course, fearless and unsuspecting of danger; on the other hand, we have these two tellers, holding their secret conferences, keeping their secret accounts, and hoarding up there misprisions of alleged official guilt, until the very crisis of a new election of officers: and at the last moment, when such a disclosure could be made, with the hope of producing an immediate effect in the designation of those officers, making that disclosure, or causing it to be made in a manner so private, that it was owing only to the justice and honour of the parent Board, that an opportunity has been afforded to the accused, to make his defence before the injury was irretrievable.



Under these circumstances, this Board has no hesitation in saying, that if the discrepancies in the statements now forwarded, were wholly irreconcilable upon grounds honourable to both parties, they could much easier believe those of the two tellers to have been incorrect, than those of the Cashier. But it seems to this Board, that there is no necessity for any such painful conclusion. Those discrepancies may be reconciled on grounds acquitting all parties of intentional misstatement.

The very fluctuating nature of the subject of these calculations at the different times at which these different officers made their accounts, goes very far to furnish a solution of the difficulty.— The single instance of the discrepancy of ten thousand dollars, on the 3d of July, now so satisfactorily explained to this whole Board, shows how little reliance is to be placed on any conclusion drawn from a comparison of these statements. The difficulty, nay impossibility, of an accurate discrimination of the different Banks to which the notes belonged, from the practice of counting them in bundles intermixed as they were, is fully explained by the evidence, and readily accounts for much more of this discrepancy.

Again, it will be observed from the book exhibited by the first teller, that of the sums which go to make the aggregate of the tellers' account, much the largest items are presented by the first teller: so that the accuracy of this aggregate depends principally on the accuracy of the first teller: and how far his accuracy is a fit ground for the condemnation or even suspicion of such an officer as Mr. Smith has ever proved himself to be, the report of the Committee of the 21st January, 1823, herewith presented, will fully satisfy the parent Board.

With relation to the alleged partiality of the Cashier to the Farmers and Mechanics' Bank of Georgetown, the fact depends again, on the accuracy of these tellers. This Board has the most perfect confidence that the statement of the Cashier is correct; and if there were a difference in the extent of the dealings between that Bank and this Office, it has been already explained to the satisfaction of this Board, how that difference arose, and that it resulted from the greater power which that Bank possessed to promote the convenience of this, by the supply of such funds as were most essential to it.

Finally, this Board begs leave to state that their confidence in Richard Smith, the late Cashier of this Office, is undiminished. The promptitude with which he surrendered the keys of the vaults, at the very instant that his suspension was announced to him, and without the opportunity of a moment to make any change in the existing state of things, connected with the further fact, that every dollar and cent of the public money was there found safely deposited, is decisive of his integrity. It is not pretended by his accusers, that the Bank has ever lost one cent of money during his administration; a fact almost unparalleled in Banking operations; and one decisive of his judgment and as-

siduity, as well as of his integrity. And this Board takes pleasure in the avowal of its opinion, whatever may be the result of this inquiry, that no institution ever possessed a more pure and valuable Officer.

By order of the Board,  
THOMAS SWANN, *President.*

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(No. 9.)

*Certificate of the Cashier of the Farmers and Mechanics' Bank of Georgetown.*

I certify, that in obtaining Northern funds from the Office of Discount and Deposit, the principle was invariable, that I should be entitled to receive them to an amount, not exceeding what I had previously deposited, payable at sight; and whenever I received drafts to an amount beyond this, the Cashier uniformly charged a premium. In this practice he was most rigid, and on several occasions, insisted on a premium, when I considered that there was a balance of such funds in favour of the Farmers & Mechanics' Bank.

When Northern drafts were discounted for this Bank by the Office, I was never entitled therefor, to other Northern funds; and if at any time I did receive the proceeds in this shape, it was invariably on the principle, of there being a balance of such funds due this Bank on former transactions.

Having examined the statement in Mr. Weightman's pamphlet, as to the discrepancies in the reports of the Cashier of the Office, and also the books of this Bank; I find payments nearly corresponding with those differences on the 3d July and 20th November, 1824, made to reduce the balance due at those times, from the Bank to the Office: and I was in the habit also, of retiring our notes with Branch notes, and other funds, of which no record is kept. I well recollect that I was sometimes pressingly called on (by letter and otherwise) by the Cashier, at the end of the week, to reduce our balance, and that I generally made arrangements to comply with this call, without delay.

In those transactions, the payments and exchanges, were almost always made through the Cashier himself.

J. I. STULL, Cashier.

August 23d, 1825.

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(No. 10.)

Having a remittance to make to the North, in November last, of \$5000, I purchased from the Branch Bank a draft for that amount, paying therefor the check of W. and C. Smith on the

Farmers & Mechanics' Bank for \$5,012 50. At the same time, W. Smith was in treaty for the sale of exchange to the Government, which was effected to the amount of \$14,250; and the Cashier of the Branch Bank was authorised to, and did receive the amount. He, at this time, had given to him the option of retiring the above check of W. and C. Smith from the amount; which he accordingly did, (preferring that course) and paid over the balance to me.

C. SMITH.

Sworn to, before me, this 25th day of August, 1825.

THOS. CORCORAN.

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(No. 11.)

*Washington, January 27, 1825.*

DEAR SIR: I have this morning read your explanations of those points of the investigation, on which I had any doubts of the propriety of your official conduct, and being satisfied that you have been guilty of nothing which you believed injurious to the trust confided to you by the Bank of the United States, I deem it an act of justice to make to you, this spontaneous expression of my opinion, and to add to it, (what I have heretofore stated to the President of the Bank himself,) an assurance of the high opinion I have always entertained of your pre-eminent capacity, and of the assiduity with which you have discharged the duties of your arduous Office. I deem it the more incumbent on me to afford you this proof of my sentiments, as my official connection with the Bank, will very soon cease, and especially in consequence of the misapprehension of part of a remark which the runner of the Office heard me use, in reference to you, some months ago, in conversation.

While I freely express to you, these my sincere sentiments in regard to your official character and conduct, I think it due to candour and to justice, to say that I do not censure the second teller for the disclosures he made to Mr. R. C. Weightman; but that I think it was his duty, witnessing what he honestly, though erroneously, considered a breach of your trust, to communicate the facts to a Director of the Bank: and there was none so proper—at least so natural—for him to address himself to, as his brother who was both a Director and a large Stockholder. The second teller is a man of strict honour himself; and withall so very precise, as you know, in his own duties, that it is not surprising he should attach great importance to circumstances apparently improper, but trivial or unexceptionable when explained.

I sincerely hope, sir, that the parent Board will, on an examination of the explanations you have given, acquit you as I do, of



all intentional dereliction of duty, and promptly restore you to its confidence, and to the discharge of your functions. Not doubting that they will do so, I trust that what has passed will be so far buried in oblivion, as not to be suffered to destroy that harmony which has heretofore subsisted among the Officers of the Bank.

I remain, very truly,  
Your friend and servant,  
W. W. SEATON.

I have preferred writing my sentiments fully in this way, to voting on the naked resolutions offered by Com. Rodgers, yesterday; and you are at liberty to use this letter, if you think it of any value to you.

(No. 12.)

*Bank of the United States, Feb. 15, 1825.*

SIR: I have great satisfaction in apprizing you, that you will receive through the Cashier's Department, an official communication of a resolution this day adopted by the Board, directing you to resume your functions as Cashier. You will accordingly, on the receipt of this letter, recommence the exercise of your duties.

As a proof of the unabated confidence of the Board, you will also receive a copy of the proceedings relative to the affairs of the Bank of Columbia.\* The transmission of these, has been delayed by the investigation which has just closed. You will proceed without delay, to submit the subject to Mr. Crawford: and if the proposal meets his approbation, it can at once be carried into effect.

Very respectfully,

Yours,

(Signed)

N. BIDDLE, Prest.

RICHARD SMITH, Esq. Cash. Off. }  
Dis. & Dep. Washington, Col. }

At a meeting of the President and Directors of the Bank of the United States, on the 15th of February, 1825, the following Report and Resolution were *unanimously* adopted:—

The Committee to whom were referred, on the 1st instant, certain documents from the Office at Washington, containing the

\* It may be proper to state, that this passage refers to certain resolutions of the parent Board, presenting to me, in conjunction with the Treasury, which was to pay an equal part, \$1,000, as a mark of the approbation of that Board: and farther, allowing me an extra Clerk, at the salary of \$1,000 per annum, to assist in managing the claims of the Bank U. S. and of the Treasury, against the Bank of Columbia.

proceedings of that Board, in the investigation of the conduct of the Cashier of that Office, and other evidence relative thereto,

REPORT: That they have carefully examined the documents referred to them; that they have also had several interviews with two of the Directors of the Office at Washington, and with Mr. Graham, the late President of the Office, from whom they have derived various explanations of the testimony, and much original information; and that finding one point not sufficiently developed, they caused a re-examination to be had of the Officers at Washington, in the presence of the Board of that Office, and the evidence reported. From these sources, the Committee are in possession of such facts as enable them to form a distinct opinion of the several charges exhibited against the Cashier. These charges, with the testimony by which they were respectively supported and explained, the Committee forbear to enumerate, because they could not be advantageously condensed within the proper limits of a report; and because the whole testimony being annexed to this report itself, will necessarily come before the Board. The Committee therefore confine themselves to the expression of their deliberate opinion, after a full and diligent investigation of the whole case; and present, as the result of that investigation, the following resolution, which they recommend to the adoption of the Board:—

*Resolved*, That the investigation of the conduct of Richard Smith, Esq. Cashier of the Office at Washington, which was directed by this Board on the 18th ulto., having disclosed no circumstance calculated to weaken the confidence of the Board in the ability and integrity of that officer, the order of suspension passed on that day, is hereby revoked; and the said Richard Smith, Esq. is authorised and directed to resume the exercise of his duties as Cashier.

Extract from the minutes.

(Signed)

J. ANDREWS, Asst. Cashr.

## ERRATA.

Page 7, last line, for "averse" read *adverse*.

" 16, line 30, for "this sovereignty" read *the sovereignty*.